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GENERAL

1. Soviet proposals to Iran--Prime Minister Qavam has told Ambassador Murray that he was handed three notes by Soviet Ambassador Sadchikov on the evening of 24 March. The gist of these notes, with the replies which Qavam intends to make to them, follows:

(a) The USSR will evacuate Iranian territory within five or six weeks "if nothing further happens" (Sadchikov professed not to know what this latter phrase meant but suggested it might refer to Azerbaijan). Later the same evening Sadchikov declared the Soviet intention to withdraw troops at once from Karaj and Kazvin (northwest of Tehran). Qavam intends to request that the evacuation of all troops be completed in four weeks and to insist that the Soviet decision be communicated formally to the Security Council.

(b) The USSR proposes the formation of an Irano-Soviet company (51% Soviet and 49% Iranian) to develop Iranian oil. Qavam plans to make a counter proposal regarding oil development. According to the Governor of the National Bank, Qavam will offer the Soviets an "executive agreement" for joint oil explorations in northern Iran, with the provision that it be ratified by Parliament within four or five months.

(c) The USSR offers to intercede "in order to adjust the Azerbaijan situation." Qavam intends to decline this offer and negotiate directly with the Azerbaijan "Government".

Qavam has not yet modified his instructions to the Iranian representative on the Security Council, but is apparently waiting to see whether the Soviets carry out their promises.

Charge Kennan in Moscow considers that the execution of any Soviet commitment to withdraw from northern Iran will encounter powerful opposition in influential Soviet circles and suggests that the US seek an arrangement which would give the UNO reasonable assurance of the faithful execution of any agreement between the Soviets and the Iranians.

The British representative on the Security Council has been instructed to emphasize that the withdrawal of Soviet troops is an "unconditional obligation."

In discussing the possibility of joint Irano-Soviet oil exploitation, Qavam on 23 March told Ambassador Murray that, if any such arrangement were made with the Soviets, he would arrange for the US

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to be given the same rights for exploitation of oil in Baluchistan. If such an offer is made again, the State Department has instructed Ambassador Murray to assure Iranian officials that (a) any US interest in the Baluchistan fields has no relationship whatsoever with the US efforts to persuade the Soviets to withdraw their troops and (b) the US does not wish this interest discussed in connection with the Soviet withdrawal or related problems.

2. UK will oppose any UNO consideration of Spain--Embassy London reports that Cadogan has been instructed to oppose any attempt from any source to include the Spanish question on the Security Council's agenda.

EUROPE-AFRICA

3. RUMANIA: US urges tripartite protest to Groza Government--The State Department has instructed Embassy London to inquire whether Britain will join in three-power representations to the Rumanian Government concerning the delay in carrying out Rumanian pledges of political freedom and early elections. Two months have elapsed since the reorganization of the Groza Cabinet, and no date has been fixed for elections, no electoral law has been promulgated, and the Government appears to be conniving in acts of political violence and intimidation directed at the opposition. The US feels that this situation should not be allowed to continue without protest. If the British agree, the US will approach the Soviet Government. If the latter is disinclined to join in tripartite action, the US will consider making the protest alone or jointly with the British.
4. ALBANIA: Increasing orientation towards the USSR--Recent reports from US representatives in Tirana, Caserta and London describe the situation in Albania as follows:

The US Mission at Tirana states that the new Albanian Government now being formed will include only those persons who are completely in favor of an internal "sovietization program" and close collaboration with the USSR. The Mission regards an outright federation between Albania and Yugoslavia as unlikely, unless Albania is refused admission to the UNO. In this connection, Embassy London reports that the British

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delegate to the Security Council has been instructed to veto Albania's admission if the USSR should force a vote on that issue.

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5. LEBANON: Withdrawal of French troops--Caffery reports that the French Government hopes to be able to withdraw the bulk of its combat troops from Lebanon before 30 June and has promised the Lebanese to withdraw by 31 August all troops, except for 30 officers and 300 technicians who will stay on until 31 December to supervise evacuation of material.

FAR EAST

6. CHINA: Chiang requests two additional armies for Manchuria--According to General Wedemeyer, Chiang Kai-Shek considers that the Soviet withdrawal from Manchuria will not alleviate the situation there. The Generalissimo therefore has requested that (a) the movement of Chinese armies previously designated to occupy Manchuria be accelerated, and (b) two additional armies be moved into the area.

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